

**AGREEMENT FOR DESIGNATED MARKETING ASSOCIATION
TERMS AND CONDITIONS FOR PEANUTS**

NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is Pub. L. 107-171. The information will be used to evaluate if the applicant is eligible for DMA status. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in disapproval of DMA status. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN COMPLETED FORMS TO THE DIRECTOR, PRICE SUPPORT DIVISION, USDA, FSA, STOP 0512, WASHINGTON, D.C. 20250.**

1. Date of Agreement: (Day, Month, Year)	2. Name of Designated Marketing Association
3. Street Address	4. City, State, Zip Code
5. Phone Number (Area Code):	6. State and DMA Code: (Assigned by FSA)

7. Purpose:

- A. Under CCC's peanut marketing assistance loan program, peanut marketing assistance loans (MAL's) and loan deficiency payments (LDP's) are available to producers of peanuts in accordance with the general regulations governing the 2002 through 2007 crop, codified at 7 CFR Part 1421, and any amendments thereto (hereinafter referred to as "the regulations").
- B. According to the regulations at 7 CFR Part 1421, peanut producers may obtain peanut MAL's from a Designated Marketing Association (DMA).
- C. CCC desires to permit a DMA to act as agent for CCC in performing certain MAL making and servicing functions in accordance with CCC's peanut MAL and LDP program.

8. Definitions:

- A. **Designated Marketing Association** means an entity, or subsidiary thereof, that performs marketing functions for a marketing association of peanut producers, does not take title to the commodity, and is authorized by CCC to provide and to service CCC peanut MAL's and LDP's for individual producers who have beneficial interest in peanuts.

- B. **Administrative County Office** means the FSA County Office where a producer's FSA records are maintained.
- C. **DMA Service County Office** means a FSA County Office designated by CCC to accept, process, and disburse peanut MAL's and LDP's to the DMA.

9. Functions to be performed by the DMA

- A. **Functions** - Subject to other provisions of this Agreement, CCC hereby appoints the person or firm named above as a DMA for the purpose of performing certain services requisite to the making and servicing of CCC peanut MAL's and LDP's to eligible producers of eligible peanuts in accordance with the peanut MAL and LDP program carried out by CCC. The DMA may act as CCC's agent for the following purposes:
 - (1) preparing and executing CCC peanut MAL and LDP application documents;
 - (2) determining that producers and the commodity are eligible for peanut MAL's and LDP's;
 - (3) determining that eligible peanuts are free and clear of all liens by performing lien searches at DMA expense and, if necessary, obtaining lien waivers;
 - (4) instructing the holder of Electronic Warehouse Receipts (EWR), if applicable, to notify the EWR provider to amend the EWR to show CCC is the holder;
 - (5) receiving CCC funds, as directed by CCC, from either a CCC approved bank or a DMA Service County Office, previously approved by CCC, for the peanut MAL or LDP amounts shown on the MAL documents presented to the bank or DMA Service County Office;
 - (6) disbursing CCC peanut MAL and LDP proceeds to individual producers who have beneficial interest in eligible peanuts;
 - (7) preparing and executing documents for MAL repayments;
 - (8) collecting repayment funds from producers or buyers and transmitting such funds to CCC; transmitting documents to render forfeited collateral to CCC; and collecting data for reporting to CCC as required by CCC.
- B. In performing the above services, the DMA shall further:
 - (1) perform such services in accordance with the procedures outlined in the applicable peanut program regulations and notices published in the Federal Register and the Code of Federal Regulations, applicable peanut FSA Handbooks and amendments thereto, and any Notices or instructions issued by the Deputy Administrator for Farm Programs; or Director, Price Support Division (PSD).
 - (2) make and service CCC peanut MAL's and LDP's, only upon presentation of warehouse receipts, (unless otherwise provided by CCC), and grading information by an eligible producer to the DMA;

- (3) become familiar with the peanut program as set forth in the applicable regulations, notices published in the Federal Register, FSA peanut MAL Handbooks, forms, and other instructions issued relating to the peanut MAL and LDP program;
- (4) attend DMA and peanut MAL and LDP program training offered by CCC at DMA expense; and
- (5) provide sufficient personnel, computer hardware, computer communications systems, and software, as determined necessary by CCC, to administer the peanut MAL and LDP program.

10. CCC shall:

- A. provide producer eligibility and payment limitation data to the DMA that the DMA will use to determine whether the producer is an eligible producer or if the producer will exceed allotted payment limitation; and
- B. make FSA claim, assignment, debt, and other applicable information available to the DMA.

11. Indebted Producers: If the DMA is notified at any time that a producer requesting peanut MAL's or LDP's through the service provided by the DMA is indebted to CCC, is delinquent on other non-tax federal debt, or is otherwise subject to offset by CCC in accordance with the offset regulations of CCC, the DMA shall:

- A. contact CCC for the amount that is owed to CCC and is to be offset from the MAL or LDP proceeds prior to the disbursement of such proceeds; and
- B. prepare a check payable to CCC for the amount collected by offset and forward the check to CCC as directed by CCC.

12. Fees: The DMA may charge the producer requesting a CCC peanuts MAL or LDP a fee for preparation of MAL or LDP documents and for servicing the MAL, at a rate determined by the DMA. Fees shall be deducted from the MAL or LDP amount received by the DMA from CCC before distribution to the producer. Any fees charged by the DMA for making and servicing peanut MAL's or LDP's shall be assessed at the same rate for each producer requesting a CCC peanut MAL or LDP through the service provided by the DMA.

13. Power of Attorney Policy: Producers may designate the DMA, on form FSA-211 (Power of Attorney), to be the producer's agent for the purpose of executing MAL or LDP documents in order to obtain MAL's or LDP's, repaying peanut MAL's, or marketing peanuts on behalf of the producer. If the DMA is designated by a producer to be the producer's agent for the purpose of executing documents to obtain a peanut MAL or LDP, repaying peanut MAL's on behalf of the producer, or marketing the producer's peanuts, the DMA shall:

- A. disclose to CCC all facts which the DMA knows or should know would reasonably affect the judgment of CCC in permitting the DMA to act as agent for both CCC and the producer;
- B. include the following language (or equivalent language approved by CCC) as an attachment to each FSA-211 entered into between the DMA and a producer:

"[The producer] hereby acknowledges that [the DMA] is an agent of the Commodity Credit Corporation for the purpose of performing certain services requisite to the making and servicing of Commodity Credit Corporation peanut MAL's and LDP's to eligible producers of eligible peanuts and agrees to permit [the DMA] to act as agent for both [the producer] and the Commodity Credit Corporation. [The DMA] shall disclose to [the producer] all facts which [the DMA] knows or should know would reasonably affect the judgement of [the producer] in permitting [the DMA] to act as agent for both [the producer] and the Commodity Credit Corporation"; and

- C. submit for CCC's approval a sample copy of the FSA-211 and any attachments to be entered into between the DMA and producer.

14. Prohibited Activity: The DMA shall not:

- pool the producer's peanuts for the purpose of obtaining peanut MAL's or LDP's from CCC;
- pool the proceeds obtained from peanut MAL's or LDP's made by CCC;
- make settlement of MAL proceeds with producers on a pool basis;
- take title to any peanuts;
- make farm stored MAL's or LDP's unless authorized by CCC;
- make MAL's or LDP's to producers involved in bankruptcy proceedings unless otherwise authorized by CCC;
- make MAL's or LDP's to ineligible peanut producers or on ineligible peanuts;
- operate the DMA operation under the same entity and tax identification number that is a CCC-approved Cooperative Marketing Association (CMA).

15. Scheme or Device: The DMA will not adopt any scheme or device to circumvent the purpose of the applicable commodity program regulations, the regulation governing DMA's, or this Agreement.

16. Marketing Services: Any charge for marketing services performed by the DMA for a producer requesting CCC peanut MAL's or LDP's through the service provided by the DMA shall be established by the producer and the DMA before execution of a marketing agreement and power of attorney. Any such charge will be assessed at the same rate for all producers for which the DMA performs marketing services.

17. Nondiscrimination: The DMA shall not discriminate against any person because of race, color, religion, sex, national origin, marital status, physical disability, mental disability, or age in conducting activities in accordance with this Agreement. The services of the DMA shall be made available to all eligible producers whether or not such producers have granted the DMA a power of attorney or have designated the DMA as the producer's agent for the purpose of:

- A. executing MAL documents to obtain peanut MAL's, or LDP's
- B. repaying such peanut MAL's on behalf of the producer; or
- C. marketing the producer's peanuts.

18. Financial Security:

- A. The DMA shall furnish security to CCC in order to guarantee performance. The security shall be either:
 - a certified or cashier's check payable to CCC;
 - an irrevocable commercial letter of credit in the form approved by CCC;
 - a performance or surety bond conditioned on the DMA fully discharging all of its obligations under this Agreement;
 - other form of security, as CCC may deem appropriate.

The amount of the financial security shall be equal to an amount, as determined by CCC, that protects CCC from risk and takes into consideration the DMA's financial condition based upon the financial statements presented to gain initial DMA status and the financial statements presented to maintain DMA status.

- B. The DMA is liable to CCC for any losses incurred by CCC as a result of the DMA's failure to discharge all of its obligations under this Agreement. Payment in the amount of such losses shall be made to CCC first, from the financial security furnished by DMA, and second, by the DMA if the amount of the loss exceeds the amount of the financial security.

19. Records Retention: The DMA shall maintain, according to FSA Handbook 25-AS, for an indefinite period, unless otherwise notified by CCC, all MAL or LDP, current and complete records with respect to executed MAL and LDP documents required by this Agreement.

20. Field Reviews: The DMA shall permit CCC or its representatives to examine the books, MAL records, papers, and accounts relating to the activities of the DMA in connection with the making and servicing of CCC peanut MAL's or LDP's any time during normal business hours. Examination and inspections made by CCC or by a Federal, State, or other body authorized by CCC shall, however, in no way relieve the DMA of its obligations under the terms and conditions of this Agreement.

21. Release of Information: No information collected or acquired by the DMA in its capacity as agent of CCC shall be released, supplied, or made available, without prior approval of CCC, to any person other than CCC or the person who supplied such information.

- 22. Maintaining DMA Status:** The DMA shall, within 4 months of the end of the DMA fiscal year, furnish to PSD:
- A. a current and audited financial statement prepared in accordance with generally accepted accounting principles and including the items listed below:
 - balance sheet;
 - income statement (profit and loss statement);
 - cash flow statement;
 - statement of retained earnings;
 - B. a report of audit or review of the financial statement conducted by an independent Certified Public Accountant in accordance with standards established by the American Institute of Certified Public Accountants. The accountant's report of audit or review shall include the accountant's certifications, assurances, opinions, comments and notes with respect to such financial statements; and
 - C. basic DMA data including:
 - any changes to DMA name, contact person name, DMA address, phone number, FAX number, or e-mail addresses;
 - a current list of DMA employees authorized to conduct CCC business;
 - copies of all CCC forms that are computer-generated by the DMA.
- 23. Liability:** The DMA shall hold CCC harmless from any claim made against CCC in connection with any MAL or LDP making, MAL servicing, or other activity carried out by the DMA which is not in accordance with the terms and conditions of this Agreement.
- 24. Termination or Suspension:** Either party may terminate this Agreement at any time upon 30-calendar days written notice to the other party. CCC may terminate this Agreement without providing 30 days notice if CCC determines that the DMA has failed to meet the terms and conditions of this Agreement. Termination of this Agreement by either party is without prejudice to any rights of a party against the other under this Agreement arising from a party's failure to meet the terms and conditions of this Agreement. If the DMA sends a notice of termination to CCC or receives a notice of termination from CCC, the DMA shall immediately cease the execution of MAL or LDP documents. CCC may also suspend the DMA from making new peanut MAL's and LDP's. If the DMA can come into compliance with CCC terms and conditions within a time period established by CCC, the suspension may be lifted.

- 25. Member Delegate:** Unless exempted by 41 U.S.C. 22, no member or Delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit arising from it. However, this provision does not apply to this Agreement to the extent that this Agreement is made with such persons in their capacity as producers of agricultural commodities or with a corporation for its general benefit.
- 26. Federal Employee Status:** This Agreement does not render the DMA or its employees, a Federal employee.
- 27. Effective Date:** It is agreed that this Agreement will become effective upon execution by CCC and will remain in effect until terminated.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date in Item 1.

28. COMMODITY CREDIT CORPORATION

A. Attest: _____ B. By _____ C. Date: _____
(Signature) (Signature of Contracting Officer)

29. DESIGNATED MARKETING ASSOCIATION

A. Attest: _____ B. By _____ C. Date: _____
(Signature) (Signature of Responsible Party)

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